



KORDANT PHILANTHROPY ADVISORS



Education in India: An Overview of Challenges & Philanthropic Opportunities

INTRODUCTION

Every parent harbors a dream of providing the best education to his or her child. In India, a country with a middle class of over 300 million and another 400 million living below the poverty line, it is often the only ticket to prosperity. With such a high population, cultivating an educated workforce also offers many social and economic opportunities for the country as a whole. Because of its high social return on investment, education is a key issue for donors wanting

to bring about social change in India.

Compared to the graying population worldwide, today's India has a young population. The country has entered a Demographic Dividend phase that is expected to last nearly 30 years, during which a productive labor force forms the largest population segment (Nilekani, 2008 and The Economist, 2013). According to several reports, India will have a surplus of 47 million workers by 2020, equal to the world's shortfall. This young

workforce will be a remarkable human capital asset for India -- provided it is well educated and skilled. However, currently, only 17.9% of India's young population is enrolled in higher education (Ernst & Young, Nov. 2012).

In this report, we explore the challenges in India's primary and higher education system as well as vocational and skills training. We also look at some high-level opportunities for donors and provide examples of innovative groups tackling this issue.

PRIMARY EDUCATION

Primary school enrollment in the 6-14 age range is over 96% in rural India (ASER Report, 2012) but dropout rates are persistently high. Access to education has become less of an issue; rather, the question remains whether school attendance equates learning. The supplementary education industry, including non-profit reading centers or private tuition classes, is burgeoning but most children today still face two significant challenges to their education:

Quality of Public Education

The reading level of more than half of fifth graders in rural government primary schools is three grades behind. Most regions in India also show a drop in basic arithmetic skills. Outdated curricula, inadequate teacher training, and poor infrastructure are to blame here, as many schools are underfunded. Even an appropriate language of instruction can be unattainable; in some areas, it is difficult to find trained teachers who teach in either English, which is becoming the preferred medium of instruction across the country, or other officially recognized languages. For these reasons, many consider quality of education to be a serious concern.

Family Economics

Though India has made huge economic strides, over one-third of the population still lives below the poverty line. As a result, children face challenges such as malnutrition, lack of school supplies, pressure to earn an income, or even arduous daily commutes. A family's economic stability is the primary driver for successful school attendance, and those who can afford to send their children to private school are able to avoid many of the problems present in public schools.

Further investments to improve education are critical if India wants to sustain its economic growth and ensure that its young workforce is employable. Interventions in curriculum development and standardization, improved infrastructure, and teacher trainings are necessary in order to improve both the quality of teaching and learning and reduce dropout rates.

SPOTLIGHT

Pratham is India's largest education focused non-profit, with a mission to provide quality education to the underprivileged poor and improve school enrollment and learning through replicable and scalable models. Founded in 1994, Pratham works across the country and also carries out an annual survey, the Annual Status of Education Report (ASER), which serves as a basis for planning and policy development by the government.

INDIA PRODUCES TWO MILLION ENGLISH-SPEAKING GRADUATES, 15,000 LAW GRADUATES AND ABOUT 9,000 PHDS EVERY YEAR. AND THE EXISTING POOL OF 2.1 MILLION ENGINEERING GRADUATES INCREASES BY NEARLY 300,000 EVERY YEAR.

– NANDAN NILEKANI IN *IMAGINING INDIA*

HIGHER EDUCATION

Enrollment rates for higher education in India still lag far behind that in other countries, including China, even though India has the world's largest number of higher education institutions, with nearly one-third of these institutions being less than ten years old. Despite this, India does not have many world-class universities; only the Indian Institutes of Technology consistently make it into the Times Higher Education University Rankings of the 400 top universities and colleges. Further, employers state that less than a quarter of engineers and MBA graduates in India are employable after graduation (Ernst & Young, Nov. 2012).

The major challenges facing India in the higher education sector are a lack of trained faculty; underfunded research facilities, libraries, and information technology systems; low quality research; and politicization of staffing appointments. In addition, there are widespread regional, rural-urban, and gender disparities in student enrollment.

In the past few years, India has announced several initiatives to address these issues, such as:

Privatization

Currently, private educational institutions are required to be non-profit entities. The government is considering broadening the presence of for-profit institutions in areas where there is a shortage of higher education options and easing regulations for private players. As of 2012, private institutions accounted for 64% of the total number of educational institutions, and 59% of enrollment, an increase of 48% and 79% respectively from just a decade ago (Ernst & Young, Nov. 2012).

Foreign Collaboration

India has historically restricted foreign higher education providers from establishing campuses in-country, however recent regulations have allowed for

collaborative arrangements to proliferate. It is believed that this will lead to increased competition and a globalized education system on par with the best in the world. Thus far, the University of Chicago and Brown University are only some of the dozens of top-tier universities that India is recruiting to the country.

Research

The Indian government has committed to spending 2% of its GDP each year on research, compared to 1% previously, in an effort to bolster India's research capacity. New centers of excellence will be established and existing facilities improved, with a goal to promote in-country world-class innovation and research, and to attract and retain international talent. Alliances are being forged between universities, research institutions, and industry firms to further this goal (Ernst & Young, Nov. 2012).

SPOTLIGHT

The Azim Premji University in Bangalore was established in 2011 and offers Master's level accredited programs in education and development. The university also has a research center, working closely with the Azim Premji Foundation to focus on education-related issues such as early childhood education, teacher trainings, curriculum development, and use of technology in education. It provides financial assistance for students who cannot afford tuition as well as placement assistance.

VOCATIONAL & SKILLS-TRAINING

India lags far behind other countries in providing skills training to its workforce, with only 10% receiving any form of skill training in either a formal or informal setting (International Labour Organisation, 2011). The Indian government has set a goal of training 500 million youth to be workforce-ready by 2022, and access to skills training is an integral part of this success (Yee, 2013). Major challenges in this area are the ever-widening rift between demand and supply, standardization of curricula, quality of training and facilities, and poor placement support.

Over the last decade, many private institutions have sprung up to cater to this demand, serving populations not reached by government vocational training institutes and other programs. These institutions offer a variety of multi-duration, non-degree courses in areas such as computer and mobile phone repairs, computer networking, accounting, and life skills training. Students might choose to enroll in these programs in addition to their regular college studies or, depending on the socio-economic condition of their family, in lieu of a college

education. Some interesting developments in this area are:

Community Colleges

India is now developing a system of 230 community colleges, similar to the model in the United States, as a framework for skills-based education in the country. These colleges, which will teach a standardized curriculum that is being developed per national standards (Ernst & Young, Nov. 2012), will provide access to students unable to enroll in a traditional college program.

Public-Private Partnerships

Public private partnerships are playing a major role as well. One such example is the National Skills Development Corporation (NSDC), established by the Indian government in 2009 to fund training centers in partnership with the industry. NSDC provides funding to several institutions, allowing them to scale and serve needy populations in remote and rural areas. NSDC is partnering with nearly 60 corporate and private partners in order to reach its goal to train 150 million people by 2022 (Ernst & Young, Sep. 2012).

SPOTLIGHT

Unnati is a program of the Shri Guruvayurappan Bhajan Samaj Trust (SGBS) in Bangalore, offered as a 70 day intensive training for unemployed youth from underprivileged backgrounds. Currently, trainings are being provided at no cost in the areas of retail sales, cosmetology, data entry, and security services. A job is assured at the end of the program. Unnati's vision is to train and provide employment to a million youth by 2020.



CONCLUSION

The over-arching issues affecting each strata of education in India are quality and relevance. India faces immense challenges in meeting the demands of a growing and young workforce. Quality teachers, relevant curriculum, financial aid for students, and adequate facilities are some of the needs that India's education sector faces. Additional challenges include the inability to meet the diverse linguistic, cultural, regional and local education needs of such a large country. Donors should consider the growing opportunities, social returns, and local contexts as they make their philanthropic investment decisions.

Recent developments in Indian regulations have made this a particularly opportune time for corporations to contribute to the development of India's education system. A new CSR law in India will require particular companies to invest 2% of their earnings into CSR-mandated programs. Philanthropic investments in educational activities will fulfill one of the prescribed areas and, as this report demonstrates, companies have many possible avenues for their interest in education. How the companies and their employees decide to take advantage of this opportunity will have a profound effect on the economic growth of the country.

Individual donors have always played a major role in the education sector and can continue to support its growth by investing in pilot projects bringing about positive and significant changes. There is enormous opportunity for creating high impact in the area of education and, through thoughtful investments, both the public and private sectors can play a pivotal role.

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THANK YOU

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